

Montana State Library

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Industrial Growth Starts At Home . . .

Helena Firm Competes For Local Market

For 10 years Montana has had a paint factory—Columbia Paint Company of Helena.

Started only a year ago in December of 1946, as a small Chicago paint salesmen, Columbia Paint got samples from zinc metallurgists all over the West, had these samples tested for suitability in paint manufacturers, and discovered the zinc from the Anaconda Company slag treatment plant in East Helena, connected with the American Smelting and Refining Company zinc smelting plant, was the most suitable.

Since 1946 over a million gallons of Columbia paint have been sold in Montana and Idaho. According to Hoyt Larson, Vice President and Sales Manager, over \$5 million has been spent in Montana in the form of raw materials, wages, taxes, services and freight charges. Even though this is only a small company, its contribution to the state's economy is substantial.

Contributes to Economy

And, Larson adds, Columbia Paint wants to increase its contribution. "We hope the day will come when we can manufacture a paint using nothing but materials produced in Montana. Already we have leaded zinc oxide (which contains 12% zinc sulphate of white lead) in seed oil and tallow. With the addition of titanium, good exterior paint can be produced. There are known deposits of titanium in Montana which will someday be mined."

Columbia Paint manufactures over 100 varieties of paint. For several years they have supplied yellow and white traffic paint for marking Montana highways. Another special paint developed for the Montana Fish and Game Department is fed in batches to game ponds. It is designed to control trout growth and yet attract fish.

Zinc and Tallow

Another feature of the company's products is that Columbia Corporation produces its zinc oxide at East Helena. Raw zinc oxide is received from the Anaconda Company. The treatment plant, located in the Anaconda Company's zinc smelting plant, is the only one in the country which can produce zinc oxide from the slag of zinc smelting plants.

It is this zinc oxide which is used in Columbia Paint's paint products.

16

National Hydraulic Shows Growth Potential

An enterprise contributing to making Billings a manufacturing complex is National Hydraulic Corporation, located in the Northern Pacific Industrial Sites.

Making valves, cylinders, fluid meters, and hydraulic pumps, the organization is typical of the small units making a specialized product that exist in more developed manufacturing areas of the country. The only difference is that National Hydraulic isn't located near Chicago or Cleveland—it's located in Billings, Montana.

Hydraulics, along with electronics, is among today's fastest growing industries, according to Fred Kester, General Manager of the Billings plant. The national market for hydraulically operated machinery is 15 times the productive capacity which was \$5 billion in 1956. The reason the demand has so far outstripped the supply is the shortage of trained hydraulic engineers. However, Kester predicts, large machinery manufacturers are coming to realize the potential of hydraulics, and this may mean National Hydraulic in Billings will be a very important operation.

The company was started in 1940 by K. H. Hoen, a hydraulic engineer, as H-S Engine Company for the purpose of manufacturing fuel injection parts used in diesel engines. As time progressed, the company added the manufacture of a hydraulically operated front-end loader "Hydra-Loader" which is mounted on tractors, hay loaders, road building equipment, and many other units. Thirty per cent of "Hydra-Loaders" are sold in Montana, and the rest in the Rocky Mountain area.

Pumps Widely Used

Now the line of patented products produced by this company includes four series of hydraulic pumps ranging in size from 12 gallons to 220 gallons per minute. These pumps have a national distribution.

Sales are expected to top \$1 million in 1957. The payroll of 30-40 employees contributes around \$300,000 per year to the Billings and Montana economy.

Power and Idea

All raw materials for "Hydra-Loaders" are shipped into Billings, there fabricated and shipped out again as complex machinery. The reason this can be done is (1) cheap power, and (2) Mr. Hoen, holder of the patents, decided to set up shop in Billings. Originally a Montanan, he wanted to stay here, and the firm has gradually grown.

This business is the type that should be encouraged in Montana. Employment is year-round (in fact, National Hydraulic is now operating on two shifts); it's a Montana company owned and managed by Montanans; "value added by manufacture" is high, since 40 employees turn raw steel into machinery worth \$1 million per year; it's a clean industry; and it's a growth industry, one that will grow with increasing technology.

Other Western States have prospered with such industries. We can too.



Interior view of National Hydraulic plant in Billings, makers of hydraulic pumps for use on material-handling equipment. Sales will reach \$1 million during 1957.



Production has reached 500 prebuilt homes at Mission Homes factory in Missoula.

PRE-BUILT HOMES MADE IN MISSOULA

A new business tied to the growing Montana market is Mission Homes, Inc., which makes pre-built homes in Missoula.

Founded a year ago, Mission Homes makes approximately 500 prefabricated homes per year for shipment to markets within a 500-mile radius of Missoula, and employs nearly 40 people. The company is associated with Rother Lumber Company of Missoula (James E. Rother, Jr., is President of both companies), which gives an integrated source of supply and cuts down overhead.

Mission makes its prefabricated homes in panels up to 32 feet long. The panels are joined with a tongue and groove method and then held rigidly by metal ties at the top plates. Openings are cut

in the panels for electrical outlets and bottom plates are drilled for installation of wire. Roof members are all pre-cut, and then paneled at the house site.

With the use of a special 40-foot boom, erection of a 1,000-square foot house, including walls and roof panels, requires six to seven hours using six men. Average cost of erection, including crane rent, is \$250.

Prefabricated housing is becoming big business in this country. In 1957 nearly 200 manufacturers expect to sell about 75,000 factory-fabricated houses. Mission Homes has displayed ingenuity in taking advantage of this trend in Montana. Construction is down in most parts of Montana; these low-cost Mission Homes should stimulate housebuilding.



American Chemet has shipped over 40,000 tons of leaded zinc product and tale from its East Helena plant since 1946.

Urban Zoning Aids Rural Residents

Urban zoning is a good idea.

Montana's population is increasing. To the rural areas, this means an increase in the expense of rural planning and zoning.

It is a fact that in the last 10 years the population in Montana has increased in the whole state. The State Board of Health reported a 13.2 per cent population gain in Montana since 1950. However, 87 per cent of this growth has occurred in the 10 counties with the largest population, those with the largest cities. Seventeen counties have lost population, all primarily rural counties.

As farms become larger and more efficient in terms of the amount of labor one person has to do, the people leave. Many go to Montana cities. Between 1940 and 1950, Montana's rural farm population declined by 22.6 per cent, while the urban areas (cities over 2,500) increased by 19.6 per cent.

But as cities grow in population they also must grow in area. More houses have to be built in outlying areas; more county roads have to be turned into city streets. Some urban expansion into nearby agricultural land is inevitable. It's the only place cities have to grow.

If this urban growth is inevitable, it's only logical to direct that growth to the maximum advantage of all the people. And the best way to assure orderly growth is through zoning.

Manufacturing is confined to proper areas under zoning. There is a minimum separation of nearby agricultural lands because anti-zoning ordinances contain performance standards. In order to locate in certain areas, industries must meet standards of cleanliness and noise.

Highest Land Values

Farmers living adjacent to urban areas face a 20 to 30 per cent price increase in property if no zoning is adopted. Property values in rural areas are 20 to 30 per cent lower than in cities. Most farmers living in cities have sold their property at a minimum of 20 to 30 per cent less than the average value of the land in the city. The cost of living in cities is also 20 to 30 per cent higher than in rural areas. In order to bring the highest value to property, zoning is a must.

The 1957 legislature passed a comprehensive zoning bill which allows cities and counties to set up zoning districts throughout the urbanized area. This is beneficial legislation, and farmers stand to benefit as well as city folks.

Engineers, Veterans Leave Montana

We all know there are a lot of people moving out of Montana every year.

As Professor Carl Kraemer of the Department of Agricultural Economics and Rural Sociology at Montana State College says in his book *Montana's Population Changes, 1920 to 1950* (Montana State College Agricultural Experiment Station Bulletin 520, p. 30):

"The annual Montana Day picnic is a typical event up and down the West Coast and throughout the Southwest, from Seattle to Los Angeles and on to Santa Fe. Former Montanans gather to talk about the 'good old days,' mutual friends, and the state they left behind. It is customary to burst forth in song, including the following verse:

'Montana! Montana! Glory of the West,
Of all the states from coast to coast
You're easily the best . . .'

"These events dramatize the extent of migration out of Montana, and its predominantly westward course. Since 1920 the state has experienced a considerable net exodus of population. This has changed not only the prospective size of Montana's population, but also the date when the state will reach its maximum numbers."

Some new evidence of this net exodus from Montana has recently been noticed.

Veterans' Bonuses

One startling fact, as developed by James L. Neely, Director of Adjusted Compensation Division, is that 29 percent of all bonuses paid to veterans of World War II were paid to out-of-state residents. In other words, out of 58,737 veterans who lived in Montana in the early 1940's, 17,000 left and didn't return. Nearly 14 per cent of all veterans' bonuses were paid to people now living in Washington and California.

By the way, the cost of these bonuses is being amortized by a 2-cent tax on each pack of cigarettes purchased in Montana since 1951.

Engineers Leave

Another interesting fact, according to Brick Breeden, Placement Director of Montana State College, is that of the 93 engineers graduated from Montana State College in 1950, 59, or 63.4 percent, accepted jobs in other states. Only 31, or 33 percent, stayed in Montana. Of 29 engineers who graduated in 1951, 17, or 58.6 percent, found a job in other states, and only 12, or 41 percent, stayed in Montana.

BARLEY FOR MALTING TESTED BY MSC

A good example of an agricultural industry that could be established in Montana is barley malting.

High quality malting barley is not in surplus, according to R. E. Islick, Associate Agronomist at Montana State College. In fact, the 110 million bushels of barley used for malting does not meet the demand of brewers.

Montana Tests

Tests are being conducted in several irrigated Montana areas to determine the suitability of growing malting barley here. Although varieties of barley now grown in Montana are not acceptable for malting, barley is a crop admirably suited to Montana growing conditions. In fact, Montana is the third largest barley producer in the country (after North Dakota and California). At present over 8 million bushels of malting barley from the Klamath Falls area of Oregon passes through Montana each year for malting in the East. This could well be grown in Montana.

This possibility is especially significant when it is remembered that barley is not a surplus crop, and that there is increased irrigation in Montana.

Research in Montana is being conducted in part through the MSC Endowment and Research Foundation. Two trade associations of the malting industry

The significant fact for Montana taxpayers is that it costs them over \$1,000 a year to train each engineer; a conservative estimate would be \$236,000 to train the 59 engineers now contributing to the economy of other areas.

The reason most of these engineers left the state is they were unable to find jobs in Montana which utilize their skills. Then, too, when one is offered a job at \$500 or more a month to start, one doesn't work for \$350.

However, it is certain nearly everyone born and raised in Montana wants to stay here—if there is a paradise anywhere, it's right here. Engineers are no different than other Montanans. Most of them would stay here if they could; in fact, many would return given the opportunity.

No one says we should eliminate engineering education, and no one suggests that all engineers educated here should stay here. But people that want to stay here should be given that opportunity. The solution is to provide more jobs for engineers here.

try, Malt Research Institute and Malting Barley Improvement Association, have granted money to the MSC Agronomy and Soils Department, which cooperates with the U. S. Department of Agriculture Malt Laboratory, USDA Field Crops Research Branch and individual farmers.

Malting Industry

Another possibility, according to Islick, is a malting industry in Montana. Malting and brewing are two separate operations, and they may or may not be performed by the same organization. There are five breweries in Montana and several in surrounding states, but there is only one malt house and it does not supply enough malt for the one brewery it serves.

Malting consists of slow, controlled germination of the barley followed by rapid drying and sprout removal. Brewing, on the other hand, typically consists of grinding the malt; mixing with unmalted cereals such as corn; cooking in water; adding hops; fermenting with yeast; and cool storage. Malting barley should be low in protein and high in malt extract. The Montana experiment is being conducted with a variety of barley called "Betze's Two-row."

Persons interested in Montana's economic development should watch the results of this experiment, for malting is definitely an industry which can be established in Montana if local businessmen are alert.

BRIEFS

MARCH INDUSTRIAL HORIZONS had an article emphasizing the need for a complete file of buildings available for industrial use in Montana. Later, a questionnaire was sent to all local development groups. This form has been completed by Chambers of Commerce in Forsyth, Lewistown, Sidney and Three Forks, as well as by a private firm in Missoula. Are there no other available buildings in Montana?

Quarterly Plant Location Survey of New York "Journal of Commerce" came out this month with planned industrial districts listed for Billings (2), Bozeman, Columbus, Havre, Missoula (2), and Sidney. Any omissions occurred because the State Planning Board was unaware of them. Second Quarterly Survey will come out in July. This is read by industrialists all over the country.

MONTANA STATE PLANNING BOARD

Sam Mitchell Building

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